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The Director of Central Intelligence Washington, D.C. 20505

National Intelligence Council

NIC #6289-83 1 September 1983

MEMORANDUM FOR: Director of Central Intelligence

Deputy Director of Central Intelligence

FROM

David Y. McManis

National Intelligence Officer for Warning

SUBJECT

NIO Monthly Warning Assessments: August

- 1. The reports on the NIO warning meetings are attached.
- 2. Comments on warning situation.

a. <u>Lebanon</u>

- (1) The renewed fighting in late August poses the most serious threat to the survival of the Gemayel government since last fall. Collapse of the government, the assassination of Gemayel, or major Muslim defections from the Army would precipitate a showdown between the Christian Lebanese Forces and the Muslim-Druze coalition. Israeli withdrawal to the Awwali River will remove the only remaining restraint on a contest for control of the Shuf and a renewed partition of Beirut along the Green Line.
- (2) The Syrians almost certainly will seize the opportunity to deepen their intervention in Lebanese politics. Svrian media have warned that "Syria cannot be neutral" when Israel and the Phalange militia are attempting to sharpen the polarization between Christian and Shia/Druze forces, and it may orchestrate the installation of a separatist regime based on the National Salvation Front formed by Druze leader Junblatt in late July. The Syrians may also exploit the chance to gain control over the port of Tripoli and to eliminate Palestinian forces loyal to Arafat in refugee camps outside the city.

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- (3) The confusion in Israeli politics caused by Begin's declared intention to resign will encourage the Syrians to press their advantage in Lebanon. Israeli contacts with the Lebanese Forces and the impending Israeli withdrawal to the Awwali will strengthen Assad's incentive to force a Muslim-Christian showdown in a bid to establish irreversible Syrian predominance in Lebanon north of the Israel security zone.
- (4) If the Lebanese Forces appear to be losing in a showdown with Syrian-backed Shia and Druze forces, the Israeli government almost certainly will intervene to prevent a Christian defeat. This contingency would sharply increase the chances of renewed Israeli-Syrian hostilities, particularly if Assad pursues a deliberately provocative course in an attempt to force the U.S. and the Soviet Union to intervene to arrange a cease-fire and negotiations for a "comprehensive" Arab-Israeli settlement, including the return of the Golan Heights to Syria.

b. USSR-INF

- (1) The Soviets are setting the stage for a new proposal ostensibly designed to break the impasse in the Geneva talks. Moscow's immediate objective will be to generate strong sentiment in Western Europe for a postponement of INF deployment. A new Soviet initiative may be announced in connection with the next round at Geneva that opens on 6 September or during Andropov's visit to Bulgaria in late October.
- (2) The Soviets may couple a proposal for a mutual moratorium on INF deployments as long as the Geneva talks continue with further revisions of Andropov's December 1982 offer to reduce Soviet delivery vehicles and warheads to a level equal to that of Britain and France. Andropov's 26 August offer to "liquidate" all missiles the Soviets would reduce, including a "considerable number" of SS-20's, suggests that Moscow is preparing further gestures along this line, perhaps an offer to allow Britain and France to retain three missiles for each SS-20 in order to freeze warheads at 162 on each side.

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f. Chile

- (1) The government's strategy to keep the lid on, strengthen military support, and divide the opposition by making a number of concessions is vulnerable to leftist-instigated violence. The next major test probably will occur on 8 September, when opposition leaders plan a fifth day of national protest--the 10th anniversary of the overthrow of the Allende government.
- (2) If these demonstrations result in casualties that exceed those of the clashes on 9-12 August, there would be heightened chances of a split in the armed forces that could lead to military pressure for Pinochet's resignation. The Navy and Air Force appear to be increasingly restive. Air Force Chief General Matthei called on 12 August for an "understanding" with the political parties and for a "political debate."

g. Pakistan

(1) Violent disturbances by the Pakistan People's Party have disrupted life throughout Sina Province and forced Army units to take control in several areas. If the movement spreads to the Punjab, the home of most of the Army, Zia's hold on power would be threatened.

David Y. McManis

Attachments:

NIO/AF NIO/EA

NIO/Narcotics

NIO/LA

NIO/NESA

NIO/USSR-EE

NIO/WE

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